

Message Text

CONFIDENTIAL

PAGE 01 NEW DE 08656 161311Z
ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 OMB-01 AID-05 COME-00 TRSE-00
CIAE-00 INR-07 NSAE-00 XMB-02 EPG-02 L-03 /038 W
-----170031Z 091855 /64

R 161221Z JUN 77
FM AMEMBASSY NEW DELHI
TO USDA WASHDC
INFO SECSTATE WASHDC 4152

C O N F I D E N T I A L NEW DELHI 8656

EO 11652: NA
TAGS: EAGR, IN
SUBJ: PEANUT OIL

REF: A. STATE 131918, B. STATE 134959, C. NEW
DELHI 8130

FROM AMBASSADOR GOHEEN TO ASST SECY HATHAWAY

1. IN THE PAST FEW DAYS, MY STAFF HAS HAD OCCASION
TO DISCUSS THE OFFERS DESCRIBED IN REF (A) WITH MINISTRY
OF FINANCE OFFICIALS. YESTERDAY, IN PARTICULAR, MINISTER
BAIJAL, HOME ON CONSULTATIONS FROM WASHINGTON SAID THE
PRICE SPREAD BETWEEN THE OFFER AND THE MARKET PRICE WAS
POLITICALLY UNACCEPTABLE FOR THEM. IT WOULD LEAD, HE
THOUGHT, TO CHARGES FROM THE NOW REVITALIZED PARLIAMENT,
THAT INDIA WAS BEING ASKED TO SUBSIDIZE AMERICAN PRODUCERS
OF PEANUT OIL. WHILE HE RECOGNIZED OUR OWN POLITICAL
PROBLEMS IN RELEASING THE OIL TO FOREIGN BUYERS AT PRESENT
MARKET PRICES, HE HOPED THAT THE USG COULD FIND A WAY TO
ABSORB THE DIFFERENCE.

2. BAIJAL'S POINT ABOUT PARLIAMENTARY CRITICISM IS WELL
TAKEN. SINCE THE ELECTIONS HERE, INDIA'S SOCIETY HAS
BECOME A VERY OPEN ONE. THE PRESS IS FREE AND ACTIVE.
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 NEW DE 08656 161311Z

QUESTIONS FROM THE FLOOR OF PARLIAMENT ARE TAKEN SER-
IOUSLY AND SUITABLE RESPONSES ARE EXPECTED. THE INDIA
GOVERNMENT THAT WOULD PAY SUCH A PREMIUM PRICE FOR A
COMMODITY FROM RICH AMERICA WOULD BE A JUICY TARGET FOR
BOTH PRESS AND OPPOSITION MEMBERS.

3. AT THE SAME TIME, THE NEW GOVERNMENT IS COMMITTED TO

HOLDING DOWN THE PRICE OF ESSENTIAL COMMODITIES, ESPECIALLY THOSE THAT ARE CONSUMED BY THE POOR. HAVING SUFFICIENT PEANUT OIL FOR PRICE STABILIZATION, THEREFORE, IS VERY IMPORTANT FOR THEM. THEY WOULD LIKE TO BUY AS MUCH AS THEY CAN AND ARE WILLING TO PAY CASH FOR IT.

4. THE STICKING POINT IS, OF COURSE, THE PRICE. IS THIS IN FACT NOT NEGOTIABLE? ARE THERE OTHER ALTERNATIVES WE MIGHT OFFER? AS INDICATED IN REF (C), I WOULD LIKE TO BE RESPNSIVE TO THIS FIRST REQUEST MADE TO ME BY THE INDIAN GOVERNMENT IF IT IS POSSIBLE TO DO SO. I AM AWARE THAT WE CAN ARGUE THAT OUR OWN POLITICAL PROBLEMS ARE EQUALLY SENSITIVE, BUT THEY HAVE A STRONG MORAL CASE IN MAKING THIS ESSENTIAL FOOD AVAILABLE TO THE POOR OF INDIA.

5. I PLAN TO RESPOND TO THE MINISTER AS SOON AS POSSIBLE BASED ON REF B AND WHATEVER COMMENTS YOU CAN PROVIDE ME.
GOHEEN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOOD SHORTAGE, VEGETABLE OILS
Control Number: n/a
Copy: SINGLE
Sent Date: 16-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NEWDE08656
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: DG ALTERED
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770215-1127
Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770650/aaaabrui.tel
Line Count: 81
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 16fb067c-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STATE 131918, 77 STATE 134959
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Apr-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2129260
Secure: OPEN
Status: NATIVE
Subject: PEANUT OIL
TAGS: EAGR, EPAP, NUTS, IN
To: AGR
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/16fb067c-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009